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April 2, 2009

Via Hand Delivery

Dr. William Gray
The Hammocks LLC
The Richmond Hill Inn
87 Richmond Hill Drive
Asheville, North Carolina 28806

Via Hand Delivery

Dr. William Gray
108 Windy Run Lane
Mooresville, North Carolina 28117

RE: Policyholder: The Hammocks LLC d/b/a The Richmond Hill
Fire Loss
Date of Loss: March 19, 2009
Harleysville Insurance Claim Number: S0-840619

Dear The Hammocks LLC c/o William Gray:

Please be advised that this firm has been retained by Harleysville Mutual Insurance Company (hereinafter "Harleysville"). Harleysville has also retained the services of Michael R. Nelson, Esq. who is with the law firm of Nelson, Levine de Luca & Horst, LLC. His contact information is:

Michael R. Nelson, Esquire
Nelson, Levine, de Luca & Horst, LLC
518 Township Line Road
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Blue Bell, PA 19422
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RHI0232

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Harleysville has issued policy number OF-3M2977 to Hammocks LLC ("Hammocks") d/b/a Richmond Hill Inn, effective October 19, 2008, concerning a claim for insurance coverage arising out of the fire that occurred at the Richmond Hill Inn located at 87 Richmond Hill Drive, Asheville, North Carolina, 28806, sometime on or about March 19, 2009.

RESERVATION OF RIGHTS

Harleysville hereby expressly reserves the right to investigate this claim as permitted under the policy. Please be advised relevant policy language is quoted herein for the sake of convenience and reference; however, we refer you to the policy for a complete listing of the terms and conditions therein. A copy of the policy is attached.

Harleysville hereby expressly reserves all rights with respect to the claim, including the right to fully investigate such claims and the right to assert all appropriate policy terms and conditions. To the extent that any additional information and/or facts come to light concerning this matter, Harleysville reserves all rights to assert the terms and conditions of the policy on additional grounds. Nothing contained herein should be construed as an admission of any liability on the part of Harleysville, or as a waiver of any of the terms or conditions of this policy.

You should be aware that the cause of the fire at issue has been under investigation. Certain parties have come to the conclusion that said fire was incendiary in nature. Harleysville is investigating the cause of that fire and who is responsible for its cause and whether material misrepresentations have been made to Harleysville. Harleysville is also investigating whether material misrepresentations have been made to Harleysville either before or after the loss. Be advised that any materially false statements made by you in connection with the investigation of this loss may be used by Harleysville as a basis to deny your claim and/or seek avoidance of the policy.

Harleysville has been investigating this loss to determine its liability, if any, for your claim of loss. This investigation is continuing. Please be advised that nothing done by Harleysville, or anyone acting on its behalf relating to the investigation of this claim, should be construed as an admission of liability on the part of Harleysville. To the contrary, you are hereby formally advised that Harleysville does reserve each and every right it has under and pursuant to the policy of insurance upon which this claim has been made. You are further advised that Harleysville is conducting its investigation and evaluation of this loss subject to this reservation of rights. Accordingly, neither you, nor anyone acting on your behalf should construe any statements or actions by Harleysville or its representatives as a waiver of the Harleysville's rights as set forth in the policy.

In the Policy "We" is a defined term and it refers to the Harleysville Mutual Insurance Company. "You" and "Your" is also a defined term and reflects The Hammocks LLC. While the entire language of your policy is important and you should review your entire policy, there are certain sections that you should specifically consider:

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...

COMMON POLICY CONDITIONS

5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

...

COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART

DEFINITIONS

1. The words "you" and "your" mean the persons or organization named as the insured on the "schedule of coverages".

...

27. "Schedule of coverages" means:

- a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
- b. declarations or supplemental declarations which pertain to this coverage.

...

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

"We" cover direct physical loss to covered property at a "covered location" caused by a covered peril.

...

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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PERILS EXCLUDED

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

...

- c. **Criminal, Fraudulent, Dishonest, or Illegal Acts-** "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
 - i. "you";
 - ii. others who have an interest in the property;
 - iii. others to whom "you" entrust the property;
 - iv. "your" partners, officers, directors, trustees, joint adventurers; or
 - v. The employees or agents of i), ii), iii) or iv) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for "theft" by employees.

...

- 1. **Neglect** - "We" do not pay for loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss.

...

WHAT MUST BE DONE IN CASE OF LOSS

- 1. **Notice** -- In case of a loss, "you" must:

- a. Give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice);
- b. Give notice to the police when the act that caused the loss is a crime; and
- c. Give notice to the credit card company if the loss involves a credit card.

- 2. **Protect the Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" will pay the reasonable costs

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incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However "we" will not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".

3. **Proof of Loss** – "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. The time, place, and circumstances of the loss;
- b. Other policies of insurance that may cover the loss;
- c. "Your" interest and the interests of all others in the property involved, including all mortgages and liens;
- d. Changes in title or occupancy of the covered property during the policy period;
- e. Detailed estimates for repair or replacement of covered property; and
- f. An inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.

4. **Examination** – "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.

5. **Records** – "You" must produce records, including tax returns and bank microfilms of all canceled checks relevant to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.

6. **Damaged Property** – "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

...

9. **Cooperation** – "You" must cooperate with "us" in performing all acts required by the Commercial Output Program coverages.

...

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HOW MUCH WE PAY

1. **Insurable Interest** – “We” do not cover more than “your” insurable interest in any property.

...

OTHER CONDITIONS

...

7. **Misrepresentations, Concealment or Fraud** – These Commercial Output Program coverages are void as to “you” and any other insured if, before or after a loss:
 - a. “you” or any other insured have willfully concealed or misrepresented:
 - i. a material fact or circumstance that relates to this insurance or the subject thereof; or
 - ii. “your” interest herein; or
 - b. there has been fraud or false swearing by “you” or any other insured with regard to the matter that relates to this insurance or the subject thereof.

...

COMMERCIAL OUTPUT PROGRAM INCOME COVERAGE PART

Coverage provided under this coverage part is also subject to the “terms” and conditions in the Commercial Output Program – Property Coverage part under the sections titled Agreement, Definitions, Property Not Covered, Perils Covered, Perils Excluded, What Must Be Done In Case Of Loss, Loss-Payment, and Other Conditions.

...

COVERAGE

“We” provide the following coverage unless the coverage is excluded or subject to limitations.

“We” provide the coverage described below during the “restoration period” when “your” “business” is necessarily wholly or partially interrupted by direct physical loss of or damage to property at a “covered location” or in the open (or in vehicles) within 1000 feet thereof as a result of a covered peril.

...

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EARNINGS

"We" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense.

The net sales value of goods that would have been produced is included in net income for manufacturing risks.

EXTRA EXPENSE

"We" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.

"We" cover any extra expense to avoid or reduce the interruption of "business" and continue operation at a "covered location", replacement location, or temporary location. This includes expenses to relocate any costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if that is not possible for "you" to continue operating during the "restoration period".

...

WHAT MUST BE DONE IN CASE OF LOSS

Other "terms" relating to What Must Be Done In Case Of Loss also apply. These "terms" are described in the Commercial Output Program – Property Coverage Part.

Intent to Continue Business – If "you" intend to continue "your" "business", "you" must resume all or party of "your" business as soon as possible.

...

CRIME COVERAGE PART EMPLOYEE FRAUD AND DISHONESTY MONEY AND SECURITIES

...

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

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- a. **Criminal, Fraudulent, Dishonest or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another person by:
- i. "you";
 - ii. "your partners";
 - iii. "members with ownership interest in any limited liability company named as an insured; or
 - iv. officers with ownership interest of 25% or greater in any one or more of the entities named as insureds.
- ...

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we may request written notice);
 - b. give notice to the police when the act that causes the loss is a crime; and
 - c. give notice to the credit card company if the loss involves a credit card.
2. **Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However "we" will not pay for such repairs or emergency measures performed on a property which has not been damaged by a peril insured against. This does not increase "our" "limit".
3. **Proof of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;

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- d. changes in title or occupancy of the covered property during the policy period;
 - e. detailed estimates for repair or replacement of covered property; and
 - f. an inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.
4. Examination -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. Records -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. Damaged Property -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect and take samples of the property.
7. Volunteer Payments -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. Abandonment -- "You" may not abandon the property to "us" without "our" written consent.
8. Cooperation -- "You" must cooperate with "us" in performing all acts required by the Commercial Output Program coverages.
- 9.

DEMAND FOR PROOF OF LOSS

Pursuant to the Policy, Harleysville requires that you complete a Proof of Loss for all aspects of your claim. Said Proof of Loss must be provided to us within 60 days of this request. The Proof of Loss Form is attached to this correspondence.

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DEMAND FOR EXAMINATION UNDER OATH

Harleysville will also conduct your Examination Under Oath with respect to all matters relevant to the fire at the Richmond Hill Inn and the policy at issue. At this time, Harleysville is requesting that a party authorized to testify on behalf of The Hammocks d/b/a Richmond Hill Inn ("you" or "your") submit to an Examination Under Oath of with regard to the policy of insurance, its formation, as well as with regard to all the facts and circumstances surrounding this claim.

TIME: 9:00 a.m.
DATE: June 10, 2009
LOCATION: 60 Court Plaza
Asheville, North Carolina 28801

This Examination shall continue, if necessary, from day-to-day until the conclusion of the Examination. PLEASE TAKE FURTHER NOTICE that you may elect to have an attorney of your choosing present at the examination under oath.

Either Mr. Nelson or I will conduct the examination. If, for any reason, you are unavailable for the Examination at the above-indicated date and time, please contact one of us so that alternate arrangements may be made. In any event, unless you specifically make alternate arrangements with the undersigned, you are expected to appear at the time and place indicated in this letter.

The following documents must be produced for Harleysville's inspection and copying by May 15th:

1. The originals of all policies of insurance upon which your claim has been made and other policies of insurance existing at the time of the loss covering the property at issue;
2. All documents, correspondence or other writings reflecting insurance claims of any kind or nature whatsoever made by you at any time before or after the incident in question, whether such claims were made to Harleysville or any other insurance carrier or entity;
3. All documents, correspondence or other writings which you sent to or received from insurance agents, insurance brokers or insurance companies relating to applications or requests for any insurance coverage or requests for information regarding possible changes in any existing insurance coverage from the date you contracted to purchase this property and continuing to the present;
4. Any and all documents, correspondence or other writings concerning the ownership, purchase, mortgages, deeds of trust and or notes of any kind relating to the subject property;

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5. Any and all documents, correspondence or other writings relating to "Gateway Properties, Inc.";

6. Any and all documents, correspondence or other writings relating to The Richmond Hill Inn, Inc., Albert or Marge Michel;

7. Any and all documents, correspondence or other writings relating to the business operation "Richmond Hill Inn";

8. Any and all documents relating to the scheduled foreclosure sale on April 16th, 2009 of the insured property or any foreclosure proceedings including those relating to the purchase of the Richmond Hill Inn and or taxes owed by You or any of your members;

9. Any and all documents relating to the property taxes and mortgage of the insured property;

10. Any and all documents, correspondence, plans, permit applications or other writings concerning planned demolition of the building, construction and/or renovations of any structures on the insured property;

11. Any and all records received from or provided to your public adjuster concerning this claim;

12. Any and all records received from or provided to a mortgagee concerning the subject property;

13. Any and all records received from or provided any contractors, engineers, and/or architects concerning the subject property;

14. Any and all documents, correspondence or other writings concerning any repairs, fire protection/suppression, security systems and code violations concerning the subject property;

15. Any and all documents, correspondence or other writings concerning any security companies retained to provide services at the subject property;

16. Any and all documents relating to the operations of the business, including but not limited to any seasonality differences, hours/days of operations, etc.

17. Any and all documents, correspondence or other writing relating to how the business may be able to use the other facilities on site to offset all or part of the losses caused by the destruction of the fire-effected building(s). If so, please describe the anticipated offsets that can be accomplished as well as any losses that cannot be offset.

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18. Any and all documents, correspondence or other writing relating to any contracted events that have been cancelled as a result of the loss, including copies of those contracts. If additional events are cancelled later, we will also need copies of those additional cancellations.

19. Any and all documents, correspondence or other writing relating to all events/parties scheduled for the facility as of the date of the fire;

20. Complete annual financial statements for the business for the years 2004 to the present. These statements should include balance sheets, P&L (Income) statements, Cash Flow statements, etc. If such financial statements are not prepared for the business, please advise and we can request alternative sources for the data;

21. Complete copies of federal and state income tax returns for the business for the years 2004 through 2008. If any of these returns have not been filed, please provide copies of the extensions filed for those years;

22. Monthly revenues for the period January 2004 to the present, separated between restaurant, lodging and other revenues;

23. Monthly inventories for the period January 2004 to the present;

24. Monthly occupancy data for the lodging operations, for the period January 2004 to the present;

25. Please provide all payroll data (at a minimum the number of employees by department and gross wages by department by pay period records) and all employment records for the period January 2008 to the present. For any employees that have left the employment of the business during this period, please indicate whether the employee left voluntarily or was terminated;

26. All records including records regarding any delinquencies concerning state and federal Withholding;

27. Aged Accounts Receivable records as of the date of the fire;

28. Aged Accounts Payable records as of the date of the fire;

29. Any and all documents, correspondence or other writing relating to any debt of the business as of the date of the fire, including repayment terms;

30. Any and all monthly bank statements for all accounts held by the business for the period January 2004 to the present;

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31. Any and all documents, correspondence or other writing relating to the pleadings/determinations/status of all lawsuits/arbitrations/mediations or other actions by or between The Hammocks, LLC and Richmond Hill, Inn and/or Albert and Marge Michel;

32. Any and all documents, correspondence or other writing relating to or support the filings under Chapter 11 by The Hammocks, LLC including all statements made to the Bankruptcy Trustee.

33. All documents that reflect the creation and transfer of ownership of the interest of The Hammocks, LLC.

34. All documents that reflect the creation, financial interest and transfer of ownership of the interest of The Lake Norman Pavilion, LLC

35. All documents that reflect the creation, financial interest and transfer of ownership of the interest of The Village at Lake Norman, LLC

36. Any documents that reflect the creation and transfer of ownership in any party, company and or LLC that has an interest in the Richmond Hill Inn.

37. All documents that reflects litigation of any kind which directly or indirectly concerns the Richmond Inn.

38. All schedules of insurance or appraisals or any item of personalty in the Richmond Hill Inn, whether owned by The Hammocks, LLC or anyone else.

39. Any and all manual(s) maintained by Richmond Hill Inn that depicts all room décor including photographs.

40. Any and all other writings which may be relevant to your claim or which you believe have relevance to this claim.

We would like to conduct your Examination Under Oath prior to June 10, 2009. However, we will require that the Proof of Loss be completed prior to our conducting the Examination Under Oath. The Policy allows you sixty (60) days to complete said proof. If you can furnish the Proof of Loss to us sooner than sixty (60) days, and provide the requested documents to us in a timely fashion, we can make arrangements with you to conduct the examination sooner than June 10th.

Harleysville cannot properly assess its liability, if any, for your claim unless and until it has examined and evaluated the documents and other writings listed above. Please submit all of the above listed materials on or before May 15, 2009. If you require additional time to compile the documents, please contact the undersigned immediately. Please keep in mind that a delay in

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the completion of your Examination Under Oath, will then delay the ultimate claims decisions by Harleysville.

You should also be aware that the North Carolina Statute Code provides:

§ 58-2-161. False statement to procure or deny benefit of insurance policy or certificate

...

(2) "Statement" includes any application, notice, statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of property damages, bill for services, diagnosis, prescription, hospital or doctor records, X rays, test result, or other evidence of loss, injury, or expense.

....

(b) Any person who, with the intent to injure, defraud, or deceive an insurer or insurance claimant:

(1) Presents or causes to be presented a written or oral statement, including computer-generated documents as part of, in support of, or in opposition to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains false or misleading information concerning any fact or matter material to the claim, or

(2) Assists, abets, solicits, or conspires with another person to prepare or make any written or oral statement that is intended to be presented to an insurer or insurance claimant in connection with, in support of, or in position to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains false or misleading information concerning a fact or matter material to the claim is guilty of a Class H felony. Each claim shall be considered a separate count. Upon conviction, if the court imposes probation, the court may order the defendant to pay restitution as a condition of probation. In determination of the amount of restitution pursuant to G.S. 15A-1343(d), the reasonable costs and attorneys' fees incurred by the victim in the investigation of, and efforts to recover damages arising from, the claim may be considered part of the damage caused by the defendant arising out of the offense.

Very truly yours,

PINTO, COATES, KYRE & BROWN, PLLC



David L. Brown

The Hammocks LLC
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cc: Harleysville Mutual Insurance Company
David Gray, Esquire (Via Hand Delivery)
Larry E. Sheldon, SPPA (Via US Certified Mail, Return Receipt Requested)
Gateway Park Properties, LLC, c/o James Sloggart
(Via US Certified Mail, Return Receipt Requested)
James P. Sloggart (Via US Certified Mail, Return Receipt Requested)
Lake Norman Pavilion, LLC, c/o William G. Gray
(Via US Certified Mail, Return Receipt Requested)
Mary C. Mullins (Via US Certified Mail, Return Receipt Requested)
Virginia C. Love (Via US Certified Mail, Return Receipt Requested)



NELSON • LEVINE • de LUCA & HORST

A LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

Michael R. Nelson
Direct: 215.358.5160
Cell: 215.837.4061
mnelson@nldhlaw.com

PHILADELPHIA CHERRY HILL COLUMBUS NEWARK NEW YORK LONDON

www.nldhlaw.com

518 Township Line Road
Suite 300
Blue Bell, PA 19422
Phone: 215.358.5100
Fax: 215.358.5101

VIA E-MAIL

May 13, 2009

Ronald K. Payne, Esquire
Long, Parker, Warren, Anderson & Payne, PA
P.O. Box 7216
Asheville, NC 28802-7216

**RE: Policyholder – The Hammocks LLC d/b/a The Richmond Hill
Fire Loss
Date of Loss – March 19, 2009
Harleysville Insurance Claim Number: S0-840619**

Dear Mr. Payne:

The purpose of this correspondence is to supplement the request for documents submitted to you by letter dated April 2, 2009, a copy of which is enclosed for your ease of reference.

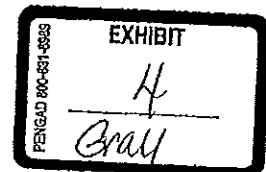
Request 4, seeking “[a]ny and all documents, correspondence or other writings concerning the ownership, purchase, mortgages, deeds of trust and or notes of any kind relating to the subject property;” shall be construed to specifically include every incarnation of the Promissory Note Agreement (“Note”) originally executed in October 2005, including but not limited to, modifications to the Note executed on or about October 9, 2006 and October 9, 2007.

Request 37, seeking “[a]ll documents that reflect litigation of any kind which directly or indirectly concerns the Richmond Hill Inn” shall be construed to specifically include all documents in your custody or control related to the following lawsuits:

William Gray and The Hammocks, LLC v. Richmond Hill, Inc., Albert J. Michel, Marge Michel and Robert Bland Holland, Buncombe County Superior Court no. 08-cvs-5278;

The Hammocks, LLC d/b/a Richmond Hill Inn v. Robert Bland Holland and Carol Ann Labosky, Buncombe County Superior Court no. 06-cvs-05706.

In addition to the specific documents referenced above, Harleysville supplements its demand for documents as follows:



RH10247

Ronald Payne, Esquire
May 13, 2009
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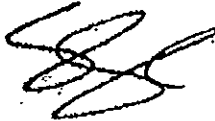
1. Copies of any and all documents related to negotiations with Chain Bridge Capital LLC regarding its interest in purchasing The Village at Lake Norman.
2. Copies of any and all documents received from and/or submitted to any law enforcement authority in connection with the subject loss.
3. Complete copies of cell phone records, including detailed records of all incoming and outgoing calls, from January 1, 2008 to April 1, 2009, for Dr. Gray and/or all Richmond Hill Inn employees who were provided with cell phones by The Hammocks, LLC.
4. Copies of any and all documents exchanged between the Hammocks, LLC members as it concerns ownership and/or business dealings. This Request is meant to include all communications and/or events related to the ownership interest and transactions between the Hammocks, LLC and James Sloggart.
5. Copies of personal tax returns for Dr. William Gray for tax years 2004 through the present.
6. Copies of personal financial statements for Dr. William Gray for 2004 through the present.
7. Copies of any and all mortgage/financing/loan applications prepared by or on behalf of Dr. William Gray and the Hammocks, LLC or Lake Norman Pavilion, LLC, from 2004 through the present.

Should you have any questions, comments or concerns, please feel free to contact me directly.

Waiving none, but instead reserving to Harleysville Insurance Company each and every right it has under and pursuant to the terms of the policy of insurance, I remain,

Very truly yours,

NELSON LEVINE de LUCA & HORST, LLC



Michael R. Nelson

MRN/hkk

RH10248

Ronald Payne, Esquire
May 13, 2009
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cc: Harleysville Mutual Insurance Company
David Gray, Esquire
Larry E. Sheldon, SPPA

RHI0249

APPLICANT INFORMATION SECTION				10/15/2008				
AGENCY White Insurance Agency, Inc. P.O. Box 1310 Black Mountain, NC 28711 Cheryl K. Reavis		CARRIER Harleysville Mutual		UNDERWRITER UNDERWRITER OFF.				
PHONE AG. No. Ext. 828-669-7912 FAX AG. No. 828-669-2315 E-MAIL ADDRESS:		NAIC CODE: POLICIES OR PROGRAM REQUESTED PACKAGE		POLICY NUMBER APP				
CODE: 320597 SUB CODE:		INDICATE SECTIONS ATTACHED <input checked="" type="checkbox"/> PROPERTY <input type="checkbox"/> CLASS AND SIGN <input type="checkbox"/> ACCOUNTS RECEIVABLE/ VALUABLE PAPERS <input type="checkbox"/> CRIME/MISCELLANEOUS CRIME <input type="checkbox"/> TRANSPORTATION/ MOTOR TRUCK CARGO		EQUIPMENT FLOATER <input type="checkbox"/> INSTALLATION/INSTALLERS RISK <input type="checkbox"/> ELECTRONIC DATA PROC <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> BUSINESS AUTO <input type="checkbox"/> TRUCKERS/MOTOR CARRIER				
AGENCY CUSTOMER ID: RICHM-3		GARAGE AND DEALERS <input type="checkbox"/> VEHICLE SCHEDULE <input type="checkbox"/> BOILER & MACHINERY <input type="checkbox"/> WORKERS COMPENSATION <input type="checkbox"/> UMBRELLA						
STATUS OF TRANSACTION PACKAGE POLICY INFORMATION								
<input checked="" type="checkbox"/> QUOTE <input checked="" type="checkbox"/> ISSUE POLICY <input type="checkbox"/> RENEW		ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES.						
<input checked="" type="checkbox"/> BOUND (Give Date and for Attach Copy):		PROPOSED EFF DATE PROPOSED EXP DATE BILLING PLAN PAYMENT PLAN AUDIT						
CHANGE DATE TIME AM PM		10/19/08 10/19/09 X DIRECT BILL						
<input type="checkbox"/> CANCEL								
APPLICANT INFORMATION								
NAME (First Named Insured & Other Named Insureds) The Hammocks, LLC dba Richmond Hill Inn			MAILING ADDRESS INCL ZIP+4 (of First Named Insured) Dr. William Gray 87 Richmond Hill Drive Asheville, NC 28806-3912					
TELEPHONE SOC SEC # (of First Named Insured): 01-0713585 PHONE (AG. No. Ext.) 828-252-7313			WEBSITE ADDRESS(ES): www.richmondhillinn.com					
E-MAIL ADDRESS(ES): financial@richmondhillinn.com								
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> SUBCHAPTER S'S CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> NOT FOR PROFIT ORG		<input checked="" type="checkbox"/> LLC <input type="checkbox"/> CR BUREAU HAVE <input type="checkbox"/> NO NUMBER		DATE BUS STARTED				
INSPECTION CONTACT: Sarah McCulloch PHONE (AG. No. Ext.) 828-252-3912 E-MAIL Address: financial@richmondhillinn.com			ACCOUNTING RECORDS CONTACT: Sarah McCulloch PHONE (AG. No. Ext.) 828-252-3912 E-MAIL Address: financial@richmondhillinn.com					
PREMISES INFORMATION								
LOC #	BLD #	STREET, CITY, COUNTY, STATE, ZIP+4	CITY LIMITS	INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
1	1	87 Richmond Hill Drive Asheville NC 28806 Buncombe	<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT	1989	45	3,000,000	100
1	2	87 Richmond Hill Drive Asheville NC 28806 Buncombe	<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT	1986	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)								
1	1	Inn, Restaurants, Gardens - Resort - 4Diamond Property						
GENERAL INFORMATION								
EXPLAIN ALL "YES" RESPONSES				EXPLAIN ALL "YES" RESPONSES				
13. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY? YES NO				5. DURING THE LAST FIVE YEARS (TEN IN NJ), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In NJ, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.) YES NO				
14. DOES THE APPLICANT HAVE ANY SUBSIDIARIES? YES NO				9. ANY UNCORRECTED FIRE CODE VIOLATIONS? YES NO				
2. IS A FORMAL SAFETY PROGRAM IN OPERATION? YES NO				10. ANY BANKRUPTCIES, TAX OR CREDIT LENS AGAINST THE APPLICANT IN THE PAST 5 YEARS? YES NO				
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS? YES NO				11. HAS BUSINESS BEEN PLACED IN A TRUST? IF YES, NAME OF TRUST YES NO				
4. ANY CATASTROPHE EXPOSURE? YES NO				12. ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD/DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 616 for Property Exposure) YES NO				
5. ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED? YES NO								
6. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR 3 YEARS? (Not applicable in MO) YES NO								
7. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENCE HIRING? YES NO								
REMARKS/PROCESSING INSTRUCTIONS (Attach additional sheets if more space is required)								
BUSINESS TYPE OTHER DESCRIPTION								
ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (Not applicable in CO, HI, NE, OH, OR, or VT; In DC, LA, ME, TN and VA, insurance benefits may also be denied)								
THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND CERTIFIES THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE CERTIFIES THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.								
APPLICANT'S SIGNATURE Sarah M. McCulloch			DATE 10-15-2008			PRODUCER'S SIGNATURE Cheryl K. Reavis		NATIONAL PRODUCER NUMBER
ACORD 126 (2005/06) PLEASE COMPLETE REVERSE SIDE © ACORD CORPORATION 1993-2005								



RHI0250

RICHM-3 OP ID: C2

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 6 YEARS (3 YEARS IN KS & MO)

[illegible]

ATTACHMENTS

STATE SUPPLEMENT(S) (If applicable)

ACORD 125 (2005/06)

LOC # 1 BUILDING # 3								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
87 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 1 BUILDING # 4								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
87 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 1 BUILDING # 5								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
87 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 1 BUILDING # 6								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
87 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 1 BUILDING # 7								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
87 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1992	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 2 BUILDING # 1								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
88 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # 3 BUILDING # 1								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
88 Richmond Hill Drive Asheville NC 28806 Buncombe		<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		1985	45	3,000,000	100
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
LOC # BUILDING #								
STREET, CITY, COUNTY, STATE, ZIP CODE		CITY LIMITS		INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
		<input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT					
NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS								
APPLIED 126API (2006/06)								

REMARKS

RICHM-3

JP ID: C2

PAGE 1

OF 1

This is an excellent property and account. I lost the package last year due to the company prior not willing to reduce the values to reflect what the owner perceived to be the correct replacement cost. Review this with the producer, Cheryl Reavis #828-712-5007

RHI0253

OP ID: C2

9/11/2008

COVERAGES

LIMITS

COVERAGE				LIMITS		PREMIUMS				
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY			GENERAL AGGREGATE	\$	2,000,000	PREMISES/OPERATIONS			
<input type="checkbox"/>	<input type="checkbox"/>	CLAIMS MADE	<input type="checkbox"/>	OCCURRENCE						
<input type="checkbox"/>	OWNERS & CONTRACTORS PROTECTIVE			PRODUCTS & COMPLETED OPERATIONS AGGREGATE	\$	2,000,000	PRODUCTS			
<input checked="" type="checkbox"/>	EBL			PERSONAL & ADVERTISING INJURY	\$	1,000,000				
<input type="checkbox"/>	DEDUCTIBLES			EACH OCCURRENCE	\$	1,000,000	OTHER			
<input type="checkbox"/>				PROPERTY DAMAGE	\$	DAMAGE TO RENTED PREMISES (each occurrence)		\$	100,000	
<input type="checkbox"/>				BODILY INJURY	\$	<input type="checkbox"/>		PER CLAIM	\$	5,000
<input type="checkbox"/>					\$	<input type="checkbox"/>		PER OCCURRENCE	\$	1,000,000
OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverage attach the applicable state Business Auto Section, ACORD 137)										
							TOTAL			

SCHEDULE OF HAZARDS

LOCATION #	CLASSIFICATION	CLASS CODE	PREMIUM BASIS	EXPOSURE	YEAR	RATE		PREMIUM	
						PREM/OPS	PRODUCTS	PREM/OPS	PRODUCTS
1	Gift Shops	13506	S	69690					
1	Hotels & Motels	84607	S	1611960					
1	Halls - Other than RFP	84775	A	1500					
1	Restaurants-sales of alcohol buy 30% or more/out less than 76% of total ann receipts / without dance floor	84936	S	984750					
2	On Family dwelling	63010	U	1					
1	Liquor Liability	58161	S	363600					
1	Parking Public	46603	S	\$100,000					

RATING AND PREMIUM BASIS

(S) GROSS SALES - PER \$1,000 SALES

(P) PAYROLL - PER \$1.00/PAY

(A) AREA - PER 1,000 SQ FT

(C) TOTAL COST - PER \$1.00 COST

(M) ADMISSIONS - PER 1,000/ADM

(U) UNIT - PER UNIT

(5) OTHER

CLAIMS MADE (Explain all "Yes" responses)

EMPLOYEE BENEFITS LIABILITY

EMPLOYEE BENEFITS LIABILITY	
1. PROPOSED RETROACTIVE DATE:	1. DEDUCTIBLE PER CLAIM: \$
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COV:	2. NUMBER OF EMPLOYEES: 40
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?	3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS: 25
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?	4. RETROACTIVE DATE: 09/10/08
REMARKS	REMARKS

CONTRACTORS

RICHM-3

OP ID: C2

EXPLAIN ALL "YES" RESPONSES (For past or present operations)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For past or present operations)		YES	NO
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS FOR OTHERS?				4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?			
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?				5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?			
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?				6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?			
REMARKS DESCRIBE THE TYPE OF WORK SUBCONTRACTED		\$ PAID TO SUB-CONTRACTORS:		% OF WORK SUBCONTRACTED:		# FULL-TIME STAFF:	

PRODUCTS/COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS
Food/gift shop						

EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)		YES	NO
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?			X	6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?			X
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS?			X	7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?			X
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?			X	8. PRODUCTS UNDER LABEL OF OTHERS?			X
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?			X	9. VENDORS COVERAGE REQUIRED?			X
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?			X	10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSUREDS?			X

PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC

ADDITIONAL INTEREST/CERTIFICATE RECIPIENT

ACORD 45 attached for additional names

INTEREST	RANK	NAME AND ADDRESS	REFERENCE #	CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER
<input type="checkbox"/> ADDITIONAL INSURED					LOCATION: BUILDING:
<input type="checkbox"/> LOSS PAYEE					VEHICLE: BOAT:
<input type="checkbox"/> MORTGAGEE					SCHEDULED ITEM NUMBER:
<input type="checkbox"/> LIENHOLDER					OTHER
<input type="checkbox"/> EMPLOYEE AS LESSOR					

ITEM DESCRIPTION:

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For all past or present operations)		YES	NO
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?			X	12. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?			X
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?			X	13. ANY DEMOLITION EXPOSURE CONTEMPLATED?			X
3. DO HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE (a) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)			X	14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?			X
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST 5 YEARS?			X	15. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?			X
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?			X	16. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?			X
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?			X	17. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?			X
7. ANY PARKING FACILITIES OWNED/RENTED?			X	18. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE YEARS?			X
8. IS A FEE CHARGED FOR PARKING?			X	19. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?			X
9. RECREATION FACILITIES PROVIDED?			X	20. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?			X
10. IS THERE A SWIMMING POOL ON THE PREMISES?			X				
11. SPORTING OR SOCIAL EVENTS SPONSORED?			X				

REMARKS Please see the website www.richmondhillinn.com. This is an exceptional property and I've worked with them for going on 4 years now. Please let me know if you have questions. ~C Reavis 7828-712-5007

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY/SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, HI, NE, OH, OK, OR or VT; in DC, LA, ME, TN and VA, insurance benefits may also be denied).

ACORD 126 (2004/03)

ATTACH TO APPLICANT INFORMATION SECTION

RH10255

OP ID: C2

ACORDTM PROPERTY SECTION										DATE (MM/DD/YYYY) 9/11/2008									
AGENCY White Insurance Agency, Inc. P.O. Box 1310 Black Mountain, NC 28711 Cheryl K. Reavis		PHONE TAC No. Ext: 828-669-7912 TAX TAC No: 828-669-2315		APPLICANT Richmond Hill Inn/The Hammocks (First Named Insured)						EFFECTIVE DATE 10/19/08		EXPIRATION DATE 10/19/09		<input checked="" type="checkbox"/> DIRECT BILL <input type="checkbox"/> AGENCY BILL		PAYMENT PLAN		AUDIT	
CODE: AGENCY CUSTOMER ID: RICHM-3		SUB CODE:		FOR COMPANY USE ONLY															
PREMISES INFORMATION		PREMISES #1 BUILDING #1		STREET ADDRESS: 87 Richmond Hill Drive Asheville NC 28806								BLOG DESCRIPTION: Mansion/Rest/Incl. Retaining Wall							
SUBJECT OF INSURANCE		AMOUNT		COINS %		VALUATION		CAUSES OF LOSS		INFLATION GUARD %		DEDUCTIBLE		BLKT COV		FORMS AND CONDITIONS TO APPLY			
BUILDING		5,089,119		90		RC		SPECIAL				5,000				AGR AMT			
BLKT BPP		1,600,000		0												ALL BLDGS			
BLKT B/EE				0												ALS			
ADDITIONAL INFORMATION		<input checked="" type="checkbox"/> BUSINESS INCOME / EXTRA EXPENSE		<input type="checkbox"/> BUSINESS INCOME W/O EXTRA EXPENSE		<input type="checkbox"/> EXTRA EXPENSE													
TYPE OF BUSINESS		ORDINARY PAYROLL		POWERHEAT		EXT PERIOD		TUTION FEES		<input checked="" type="checkbox"/> OFF PREM POWER		DEPEND PROP							
<input checked="" type="checkbox"/> NON MFG <input type="checkbox"/> MFG <input type="checkbox"/> MANNING % COINS		<input checked="" type="checkbox"/> EXCL <input type="checkbox"/> INCL 90 DAYS 180 DAYS \$		\$ DED ELEC MEDIA DAYS ORD OR LAW DAYS		DAYS MO PERIOD LNGT MAX PERIOD		\$ STUDENTS \$ OTHER ED SERV/ACC		<input checked="" type="checkbox"/> POWER <input checked="" type="checkbox"/> WATER <input checked="" type="checkbox"/> COMM (DESCR BELOW)		% COIN CONT LOC REC LOC MFG LOC LOR LOC (DESCR BELOW)							
NAME AND ADDRESS(ES) FOR OFF PREM POWER OR DEPEND PROP										EXTRA EXPENSE		DAYS PERIOD REST		LIMIT LOSS PAY					
ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION																			
CONSTRUCTION TYPE		DISTANCE TO HYDRANT		FIRE DISTRICT/CODE NUMBER		PROT CL		# STORES		# BASMTS		YR BUILT		TOTAL AREA					
FRAME		50 FT 3 MI		Asheville/		3		3		1		1889		7,300					
BUILDING IMPROVEMENTS		BLDG CODE GRADE		TAX CODE		ROOF TYPE		OTHER OCCUPANCIES											
<input checked="" type="checkbox"/> WIRING, YR: 85 <input checked="" type="checkbox"/> ROOFING, YR: 05 OTHER:		<input checked="" type="checkbox"/> PLUMBING, YR: 85 <input checked="" type="checkbox"/> HEATING, YR: 85		WIND CLASS		RESISTIVE SEMI-RESISTIVE OTHER		HEATING BOILER ON PREMISES? IF YES, IS INSURANCE PLACED ELSEWHERE?											
RIGHT EXPOSURE & DISTANCE		LEFT EXPOSURE & DISTANCE		REAR EXPOSURE & DISTANCE		Other Resort properties													
Other Resort properties		Other Resort properties		Other Resort properties		Burglar Alarm Type													
Yes		Certificate #		Expiration Date		EXTENT		GRADE		CENTRAL STATION WITH KEYS									
Burglar Alarm Installed and Serviced by						# GUARDS/WATCHMEN		2		<input checked="" type="checkbox"/> 24 hr manned									
Details to follow if requested										<input checked="" type="checkbox"/> CENTRAL STATION									
PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2/Chemical Systems)		% SPRINK		FIRE ALARM MANUFACTURER		100		Yes		<input checked="" type="checkbox"/> LOCAL GOV									
ADDITIONAL INTERESTS																			
RANK:		NAME AND ADDRESS:		REFERENCE #:		CERTIFICATE REQUIRED		INTEREST ITEM NUMBER											
INTEREST								LOCATION:											
<input type="checkbox"/> LOSS <input type="checkbox"/> PAYEE <input type="checkbox"/> MORT- <input type="checkbox"/> GAGEE								BUILDING:											
								SCHEDULED ITEM NUMBER:											
								OTHER:											
VALUE REPORTING INFORMATION																			
REPORTING FORM: PROVIDE AVERAGE VALUES FOR PAST 12 MONTHS																			
SUBJECT OF INSURANCE				PREMISES BUILDING		ANY OTHER LOCATION DECLARED AT RECEPTION		ANY OTHER LOCATION ACQUIRED AFTER RECEPTION		PREMISES NOT OWNED OR ACQUIRED LIMIT									

ACORD 140 (2002/09)

ATTACH TO APPLICANT INFORMATION SECTION

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RHI0256

ADDITIONAL PREMISES INFORMATION		PREMISES #1		STREET ADDRESS: 87 Richmond Hill Drive Asheville NC 28806								RICHM-3		OP ID: C2					
		BUILDING #1: 2		BLOOD DESCRIPTION: Guest House															
SUBJECT OF INSURANCE		AMOUNT		COINS %		VALUATION		CAUSES OF LOSS		INFLATION GUARD %		DEDUCTIBLE		BLKT COV		FORMS AND CONDITIONS TO APPLY			
BUILDING		173,732		90		R		SPECIAL				5,000				AGR AMT			
BLKT BPP 1/1				0															
BLKT BI/EE				0												ALS			
ADDITIONAL INFORMATION		BUSINESS INCOME/EXTRA EXPENSE				BUSINESS INCOME/NO EXTRA EXPENSE				EXTRA EXPENSE									
TYPE OF BUSINESS		ORDINARY PAYROLL		POWER/HEAT		EXT PERIOD		TUITION FEES		OFF PREM POWER		DEPEND PROP							
<input type="checkbox"/> NON MFG <input type="checkbox"/> MFG <input type="checkbox"/> MISC % COINS		<input type="checkbox"/> EXCL <input type="checkbox"/> INCL 90 DAYS 180 DAYS \$		\$ DED ELEC MEDIA DAYS ORD OR LAW DAYS		DAYS NO PERIOD LIMIT MAX PERIOD		\$ STUDENTS \$ OTHER ED SERV/NC		<input type="checkbox"/> POWER <input type="checkbox"/> WATER <input type="checkbox"/> COMM (DESCR BELOW)		<input type="checkbox"/> % COIN <input type="checkbox"/> CONT LOC <input type="checkbox"/> REC LOC <input type="checkbox"/> MFG LOC <input type="checkbox"/> LOR LOC (DESCR BELOW)							
NAME AND ADDRESS(ES) FOR OFF PREM POWER OR DEPEND PROP												EXTRA EXPENSE		DAYS PERIOD REST					
												LIMIT LOSS PAY		% % % %					
ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION																			
CONSTRUCTION TYPE		DISTANCE TO HYDRANT		FIRE STAT		FIRE DISTRICT/CODE NUMBER				PROT CL		# STORES		# BASMTS		YR BUILT		TOTAL AREA	
FRAME		50 ft		3 in		Asheville				3		1				1991		1,048	
BUILDING IMPROVEMENTS		BLOG CODE GRADE		TAX CODE		ROOF TYPE		OTHER OCCUPANCIES											
<input type="checkbox"/> WIRING, YR: <input type="checkbox"/> ROOFING, YR: <input type="checkbox"/> OTHER:		<input type="checkbox"/> PLUMBING, YR: <input type="checkbox"/> HEATING, YR:		WIND CLASS		SEMI-RESISTIVE		OTHER		HEATING COILER ON PREMISES? YES NO IF YES, IS INSURANCE PLACED ELSEWHERE? YES NO									
RIGHT EXPOSURE & DISTANCE				LEFT EXPOSURE & DISTANCE				REAR EXPOSURE & DISTANCE											
char resort properties																			
BURGLAR ALARM TYPE				CERTIFICATE #				EXPIRATION DATE				EXTENT		GRADE		CENTRAL STATION			
																WITH KEYS			
BURGLAR ALARM INSTALLED AND SERVICED BY												# GUARDSWATCHMEN				CLOCK HOURLY			
yes												2				X 24 hr employ			
PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO2/Chemical Systems)				% SPRINK				FIRE ALARM MANUFACTURER								X CENTRAL STATION			
smoke/fire																LOCAL CONS			
ADDITIONAL INTERESTS																			
RANK:		NAME AND ADDRESS:				REFERENCE #:				CERTIFICATE REQUIRED				INTEREST IN ITEM NUMBER					
INTEREST														LOCATION: BUILDING: SCHEDULED ITEM NUMBER: OTHER:					
<input type="checkbox"/> LOSS <input type="checkbox"/> PAYEE <input type="checkbox"/> MORTGAGEE																			
		ITEM DESCRIPTION:																	
REMARKS																			
Premise 1																			
Premise 1																			
ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, HI, NE, OH, OK, OR or VT; in DC, LA, ME, TN and VA, insurance benefits may also be denied)																			

ACORD 140 (2002/09)

RHI0257

RH10258

APPLIED 140SCHED (2002/09)

RH10259